United Nations S/2005/288

Security Council

Distr.: General
4 May 2005

Original: English

Letter dated 3 May 2005 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism addressed to the President of the Security Council

I write with reference to my predecessor's letter of 23 February 2005 (S/2005/114). The Counter-Terrorism Committee has received the attached fifth report from Egypt submitted pursuant to paragraph 6 of resolution 1373 (2001) (see annex). I should be grateful if you would arrange for the present letter and its annex to be circulated as a document of the Security Council.

(*Signed*) Ellen Margrethe Løj
Chairman
Security Council Committee established pursuant to
resolution 1373 (2001) concerning counter-terrorism

05-33802 (E) 140705 180705

Annex

Note verbale dated 29 April 2005 from the Permanent Mission of Egypt to the United Nations addressed to the Chairman of the Counter-Terrorism Committee

The Permanent Mission of the Arab Republic of Egypt presents its compliments to the Chairman of the Counter-Terrorism Committee (CTC) and has the honour to submit herewith the fifth report presented by the Government of Egypt, in response to the inquiries of the Committee regarding further information on Egyptian laws and regulations (see enclosure).

Enclosure

[Original: Arabic]

National Committee on International Cooperation to Combat Terrorism

Responses to questions concerning Egypt's fourth report on measures aimed at combating terrorism submitted to the Counter-Terrorism Committee pursuant to Security Council resolution 1373 (2001)

1. Implementation measures

1.1 In Egypt's fourth report, on page 16, reference is made to a bill on strengthening the legal regime on international judicial assistance in criminal matters. The CTC would appreciate it if Egypt would provide the CTC with an update on the status of the bill and information concerning any further action taken by Egypt to strengthen its counter-terrorism capacity and modalities for cooperation with other States to combat terrorism.

Reply

The International Cooperation Section of the Ministry of Justice has completed the preparation of the main points of the draft law on international judicial cooperation in criminal matters. Those points were the object of exhaustive discussion at a meeting of the committee formed pursuant to a decision of the Minister of Justice and attended by the committee members, i.e., representatives of the authorities concerned and experts concerned with penal matters. The committee approved the said points. The draft law was reviewed in the context of the activity of the National Committee on International Cooperation to Combat Terrorism. The two committees felt it important for the provisions of the draft law to be balanced with respect to the provisions of international instruments, in particular those on combating terrorism. The bill is expected to be completed in the near future, whereupon it will be able to be submitted to the competent authorities in order that steps may be taken for its referral to the People's Assembly and the Consultative (Shura) Council at the start of their next sessions, respectively.

It should be pointed out that the draft law on international judicial cooperation in criminal matters is characterized by the following features:

(a) It covers the different procedures required by international judicial cooperation. In other words, it is not confined to extradition, but also includes letters rogatory of both Egyptian and foreign authorities, the execution of foreign judgements and the transfer of convicted persons. In addition, the bill contains new provisions concerning the extradition of offenders who are in Egypt to a foreign State and the return of offenders to Egypt by a foreign State. It also provides for new techniques for the execution of letters rogatory that take into account the speed with which this can be performed through the use of the Internet and deals with the question of the seizure of things connected with the offence that are in the possession of offenders and the manner of disposal thereof;

(b) The bill takes up questions of collaboration and cooperation with the international criminal courts established pursuant to international conventions or resolutions in force in Egypt and provides that cooperation is permissible with other

international criminal tribunals, specifically the International Criminal Tribunals for Rwanda and the former Yugoslavia, under Chapter VII of the Charter of the United Nations;

(c) The bill is divided basically into eight chapters, as follows: general provisions, letters rogatory, extradition of persons and surrender of things, transfer of criminal proceedings, recognition and enforcement of criminal judgements, transfer of convicted persons, cooperation with international criminal courts.

The action recently taken by the Arab Republic of Egypt in respect of its counter-terrorism capacity involves the following:

- The National Committee on International Cooperation to Combat Terrorism undertook a study of two conventions, the International Convention for the Suppression of the Financing of Terrorism and the International Convention for the Suppression of Terrorist Bombings, in order to examine to what extent it would be appropriate to accede to them. The Committee recommended such accession and steps are currently being taken for the final ratification of the Conventions;

- On 25 July 2004 the National Committee on International Cooperation to Combat Terrorism met with members of the monitoring team of the 1267 Committee and discussed ways to cooperate with the National Committee in the field of counter-terrorism. A review was made of Egypt's efforts in the areas of related legislation and implementation and the removal of all obstacles that stand in the way of requests for the extradition of persons accused of committing terrorist offences;

- The Egyptian Ministry of Justice has held numerous bilateral meetings and coordinated with numerous European, African and Arab States with a view to concluding agreements and memorandums of understanding on international judicial cooperation in criminal matters, including in the area of counter-terrorism;

- On 27 and 28 September 2004, the National Committee on International Cooperation to Combat Terrorism held a meeting with a delegation from the Counter-Terrorism Policy Department of the United Kingdom with a view to strengthening and cementing the relations of legal and judicial cooperation between the two countries, especially in the field of combating terrorism;

- On 2 October 2004 the Ministry of Justice received Mr. Antonio Maria Costa, Director-General of the United Nations Office at Vienna (UNOV) and Executive Director of the United Nations Office on Drugs and Crime (UNODC), and Mr. Jean-Paul Laborde, Chief of the Terrorism Prevention Branch of UNODC. A meeting took place between them and the National Committee on International Cooperation to Combat Terrorism at which modes of cooperation between Egypt and the United Nations in the area of combating organized crime in all its forms, including terrorist crimes, were discussed;

- On 16 February 2005 the National Committee on International Cooperation to Combat Terrorism received Mr. Javier Rupérez, Director of the Counter-Terrorism Committee Executive Directorate. The efforts made by the Arab Republic of Egypt in combating terrorism were reviewed and Mr. Rupérez

spoke of the role that could be played by the CTC Executive Directorate in the area of assistance to States in combating terrorism;

– On 21 and 22 December 2004 the Ministry of Justice organized a regional seminar on the definition of legal mechanisms for combating terrorism. The recommendations of the seminar included, in particular, the following:

  – Concern with developing legislation in the field of international judicial cooperation; continued legislative efforts to remain abreast of new developments in the international arena; action to promote the international and regional instruments on counter-terrorism ratified by the Arab Republic of Egypt through the passage of appropriate legislation, with the assistance of the guide prepared for that purpose by UNODC (attachment 1);

  – Welcoming of the establishment in Cairo of a regional centre in the region of the Middle East and North Africa within the framework of UNODC in order to assist the countries of the region in their efforts aimed at implementing the provisions of the international conventions and protocols on transnational organized crime and terrorism;

– Egypt participated in the Arab Regional Symposium on Combating Terrorism, held in Cairo within the framework of the League of Arab States on 16 and 17 February 2005, and in the Counter-Terrorism International Conference held in Riyadh from 5 to 8 February 2005, playing an active role in the drafting of the recommendations of both;

– In addition to the above, Egypt is in constant contact with various States around the world with a view to intensifying cooperation in the field of terrorism, especially through the conclusion of agreements on judicial cooperation that ensure that offenders and convicted and wanted persons are extradited and brought to trial or at least provide the greatest possible degree of transparency in the exchange of judicial and security assistance and information. Significant progress is being made in this regard, discernible chiefly in the conclusion of a number of bilateral agreements with various European and African countries, such as Hungary, Poland, Romania, Italy, South Africa and Ukraine, in addition to cooperation agreements with Arab countries.

1.2 The CTC has taken note that with respect to the International Convention for the Suppression of the Financing of Terrorism, Egypt has codified corresponding provisions in its domestic law. The CTC would appreciate it if Egypt would provide the CTC with an update of the process being undertaken to become a party to the Convention.

Reply

A decision of the President of the Republic, No. 426 of 2004, has been issued concerning the ratification of the International Convention for the Suppression of the Financing of Terrorism, which was signed in New York on 10 January 2000. The Convention was ratified by the People's Assembly at its session of 1 February 2005 and the instrument of ratification is in the process of being deposited by the Ministry of Foreign Affairs (attachment 2).

1.3 The CTC has also taken note that Egypt is not yet a party to the International Convention for the Suppression of Terrorist Bombings and the Convention on the Physical Protection of Nuclear Materials. The CTC would appreciate it if Egypt would provide the CTC with an update of the process being undertaken to become party to these Conventions. Further to these Conventions, the CTC is seeking clarification to the reference made at pages 5 and 8 of Egypt's 4th report, to wit, that pursuant to article 151 of the Egyptian Constitution conventions ratified by Egypt automatically become law. However, as these Conventions are not self-executing, the CTC should appreciate it if Egypt would provide the CTC with information on whether there are provisions in Egypt's domestic laws that correspond to the provisions of these Conventions.

Reply

Regarding the International Convention for the Suppression of Terrorist Bombings, constitutional steps are currently being taken for its submission to the People's Assembly during the coming period.

While the Convention on the Physical Protection of Nuclear Materials is still under study by the competent authorities, Egypt has taken a number of steps in that connection, such as its accession to the Treaty on the Non-Proliferation of Nuclear Weapons in 1981 and the signing of a nuclear safeguards agreement with the International Atomic Energy Agency in 1982, in addition to a number of legislative, security and monitoring measures, as follows:

I. Security and monitoring measures

In keeping with the State's efforts to combat the smuggling of radioactive sources and guarantee that such sources (and specifically, sealed radioactive sources, widely used in the industrial and medical fields) do not fall into the hands of terrorist groups, the various Egyptian services currently apply suitable procedures for intensive monitoring of the movements of nuclear, chemical and biological materials, as follows:

1. The current execution, by the Atomic Energy Authority, through the National Center for Nuclear Safety and Radiation Control, of the "cradle-to-grave" Integrated Management Program in cooperation with Sandia National Laboratories in the United States. This programme comprises the operation of a "still in use/no longer in service" database which includes, for such sources, the related import documents, the types and intensity of the sources, the locations where they are used, the means for transporting and storing them, responsibility for them and the related physical protection systems. In addition, the physical protection systems for radioactive sources, especially highly radioactive ones, are reviewed by the competent persons at the Authority and compliance of those systems with international standards is ascertained, all of which takes place in collaboration with the Ministry of Health. Also in accordance with the Programme, radioactive sources are recycled for use, if possible, or efforts are directed towards their safe burial after their preparation in accordance with technically suitable methods. Moreover, the Authority, through the National Center for Nuclear Safety and Radiation Control, undertakes all activities related to the prohibition against nuclear materials and to cooperation with the

International Atomic Energy Agency (IAEA) in accordance with the Comprehensive Safeguards Agreement concluded between Egypt and the Agency in 1982;

2. The adoption of measures to deal with and prevent attempts to import and smuggle weapons and explosives of all kinds, as follows:

- Security checks are performed on persons, luggage and related articles and motor cars through the use of technologically advanced equipment (electronic detection gates for persons, X-ray equipment for checking luggage, fiberscopes and mirrors for vehicles);
- Goods are subjected to appropriate security checks by the committee set up by the services concerned for the purpose of inspecting goods, checking cargo and carrying out security inspections by means of X-ray explosive-detection equipment and dogs trained to detect explosives;
- Thorough security and customs checks are carried out on ships' stores and aircraft stores, which are inspected for security purposes by means of explosive-detection equipment and dogs trained to detect explosives;
- It should be pointed out that these controls and procedures are in keeping with internationally recommended standards, i.e.: security annex 17 to the Convention on International Civil Aviation, issued by the International Civil Aviation Organization (ICAO); the International Ship and Port Facility Security Code (ISPS Code), adopted by the International Maritime Organization (IMO) within the framework of the International Convention for the Safety of Life at Sea;

3. The adoption of effective measures to strengthen control of the movements of shipments of hazardous materials and chemicals classified as explosives, in accordance with the following:

- The ministerial decision issued to define explosive materials and the list annexed thereto;
- Customs legislation promulgated to regulate customs clearance of such materials;
- The international hazardous material code, which lists 350 materials considered as hazardous;
- The relevant ICAO and IMO standard rules;

4. A comprehensive assessment of the regulations relating to tighter control of the circulation of hazardous materials and chemicals classified as explosives, by means of the following:

- Participation of a representative of the Ministry of Foreign Affairs in inspection activities in the branches of the General Organization for Export and Import Control (GOEIC) at all the country's legal entry/exit points to ensure compliance with the ministerial decision on explosive materials and its annexed list in respect of shipments of hazardous materials and chemicals;
- The analysis, by GOEIC, of all incoming chemical shipments and samples for which no scientific name is provided in order to identify their contents, indicate their scientific name and ascertain whether or not they are classified

as explosive materials, provided that the scientific name shall include all the particulars indicated in the international hazardous material code, namely:

• Hazard number (UN number);

• Class;

– In the event of a violation of the decisions and regulations governing the circulation of explosives and the finding that the imported material comprises explosives mentioned in the list annexed to the ministerial decision referred to above, the performance of a new analysis of the material by the crime laboratory with a view to the issuance of a technical report concerning it, in order that legal steps may be taken;

– The following actions on the part of the Ministry of Transport (Maritime Transport Sector — General Authority for Land Border-crossing Points) and the Ministry of Aviation (Airport Authority):

  – Preparing suitable areas for receiving and storing the hazardous materials and chemicals in accordance with the international port code (sea/air/land) that satisfy the preventive requirements for safeguarding and exercising strict control over the materials;

  – Requiring shipping agencies to submit the technical specifications of hazardous materials to be shipped to a port of destination and obtain permission from the port authority before shipment from the port of exportation and reviewing them in accordance with the international hazardous material code;

  – Not allowing the discharge of shipments of explosives or chemicals classified as explosives from ships, aircraft or other transport means at ports of destination or the clearance or transport thereof except upon prior authorization by the security services concerned;

  – Seizure, by the branches of the control authority, of exports and imports at ports in cases where the shipment is suspected of containing any explosives or chemicals or materials considered as such and forwarding of samples to the crime laboratory of the bureau of criminal investigation for analysis and the preparation of a technical report preparatory to the taking of legal action with regard to them;

5. The General Authority for Land Ports, in cooperation with the Atomic Energy Authority, has set up radioactive-material-detection gates at a number of ports. The system is currently being completed and will be installed at other seaports in the future.

II. Legislative measures

1. Act No. 59 of 1960 on work with ionizing radiation and protection against its hazards (articles 1 and 2) restricts the use and possession of radioactive materials to organizations active in that field which satisfy full control conditions in accordance with the laws and regulations in force (attachment 3).

2. Act No. 4 of 1994 on the protection of the environment (articles 29, 31 and 32) prohibits the circulation of hazardous material and waste or the establishment of facilities for the treatment of hazardous waste without permission from the

competent administrative authority and the Egyptian Environmental Affairs Agency. It further provides that the disposal of hazardous waste must take place in accordance with the conditions and standards defined in the regulation implementing the Act. The Minister of Housing, after consulting the Ministries of Health and Industry and the Environmental Affairs Agency, fixes the locations and the conditions for the grant of permits for the disposal of hazardous waste, subject to strict security and monitoring procedures (attachment 4).

Article 32 of the same Act also prohibits the importation of hazardous waste and the granting of permission for its entry into or transit through the territory of the State. The passage of ships carrying hazardous waste through the territorial waters or the exclusive economic zone without a permit from the competent administrative authority is also prohibited. It should be mentioned that the explanatory note to the said Act provides that, in view of the dangers involved in the handling of hazardous waste, the importation of such waste and the granting of permission for the introduction or passage thereof into or through the Arab Republic of Egypt are absolutely prohibited.

Additional points

1. Egypt's efforts, within the context of the work of the Conference on Disarmament in Geneva, towards the start of negotiations on a treaty to deal with fissile materials (stockpiled or future);

2. Egypt's efforts within the framework of the New Agenda Coalition aimed at ridding the world of nuclear weapons and its adoption of a resolution in that regard for submission to the General Assembly on behalf of the Coalition countries;

3. Participation by Egypt in the Global Threat Reduction Initiative (GTRI) International Partners Conference held in Vienna in September 2004;

4. Participation by Egypt in the working group established by the IAEA Director General for the study of the nuclear fuel cycle and how to control it;

5. Egypt's efforts, since 1974, aimed at ridding the Middle East region of nuclear weapons and its submission of a draft resolution to the First Committee of the United Nations General Assembly in that regard;

6. Presidential initiative to rid the Middle East of weapons of mass destruction and efforts to mobilize international and regional efforts.

Regarding the reference to article 151 of the Egyptian Constitution and the fact that conventions ratified by the Arab Republic of Egypt become part of Egyptian law, it must be said that while the fundamental rule in the Egyptian legal system is that conventions become law as soon as they are ratified and are enforceable domestically under article 151 of the Egyptian Constitution, which implies the possibility of their direct application by the judiciary, adherence to their stipulations and the requirement that their provisions must be respected by all authorities, the implementation and enforcement of the provisions of such conventions depends on the nature of the stipulations of the convention or treaty itself. Conventions including penalty provisions, for example, require the drafting of legislation to define the nature of such penalties and criminal acts in accordance with the principle of "criminal legitimacy". Egypt has passed much legislation stipulating penalties for acts specified in international conventions, as in the case of conventions relating to

terrorism. The Egyptian Penal Code and other penal laws criminalize and provide penalties for acts referred to in such conventions. For example, the definition of the acts referred to in the International Convention for the Suppression of the Financing of Terrorism agrees on the whole with the definition contained in article 1 of Act No. 80 of 2002 on combating money-laundering, and the definition of "proceeds" found in the Convention are consonant with the definition of receipts contained in the said Act. Article 2 of the Convention, relating to terrorism and the criminalization of terrorist financing, matches articles 86 and 86 bis of Act No. 97 of 1992, amending the Penal Code and the Code of Criminal Procedure and concerning account secrecy and weapons and ammunition (known as the "Terrorism Act"). The measures provided for in articles 8 and 18 of the Convention, moreover, are largely in harmony with the procedures provided for in the aforementioned Money-laundering Act. All these Acts ensure compliance with the provisions of that Convention.

1.4 The CTC has taken note that Egypt has become a party to the Convention against Transnational Organized Crime, and in that regard would appreciate it if Egypt would provide the CTC with an update on whether there are corresponding provisions in Egypt's domestic laws with regard to this Convention.

Reply

By virtue of Act No. 80 of 2002 on the combating of money-laundering (Money-Laundering Act), as amended by Act. No. 78 of 2003, the provisions of the Convention against Transnational Organized Crime ratified by Egypt were made law. The most significant aspects of the Money-Laundering Act are as follows:

Article 1 of the Act includes a definition of certain terms contained in the Act. It defines the funds whose laundering is to be combated, their source, the various financial institutions to which the provisions of the Act apply, money-laundering operations, and other parties as defined in a decision of the Prime Minister, irrespective of whether the activities specified in this article are conducted by natural or legal persons.

Article 2 deals with crimes the funds obtained from which are considered criminal and gives an exhaustive definition of the crimes provided for in sections 3, 4, 15 and 16 of book II of the Penal Code; the crimes of kidnapping, cultivation of narcotic plants and manufacture of narcotics, theft of funds, embezzlement, breac of trust, deception, fraud, debauchery and prostitution; and the organized crimes provided for in the international conventions to which Egypt is a party, when such crimes are punishable under both Egyptian and foreign law, whether all or part of those crimes takes place in Egypt or abroad.

Article 3 deals with the establishment, within the Central Bank of Egypt, of a mechanism for coordination between the various entities concerned with anti-money-laundering operations, to be known as the Anti-Money-Laundering Unit. The same article provides that the President of the Republic shall issue a decision on the management and operational systems of the Unit and such other responsibilities as he may see fit to assign to it.

Article 4 provides that the functions of the Unit shall include receiving notification from financial institutions and establishing a database containing

information on suspicious financial operations, in addition to exchanging information and coordinating with oversight authorities in foreign countries and international organizations concerned with money-laundering.

Article 5 bestows upon persons working in the Unit, who shall be designated by a decision of the Minister of Justice, the capacity of investigation officers with respect to the crimes provided for by this Act.

Article 6 grants the Unit the power to request the Office of the Attorney General and other legally competent authorities to take precautionary measures within the procedural limits of the Code of Criminal Procedure and the laws regulating the practices of such authorities and requires oversight authorities to verify compliance by financial institutions with the Act and to report suspicious financial activities.

Articles 8 and 9 set forth the obligations of financial institutions provided for in the Act with regard to the administration of various types of client accounts and the keeping of records of domestic and international financial transactions. In addition, such institutions must keep, for a period of five years from the end of the respective transaction or the closure of the account, as the case may be, client records and data and other documents required to be maintained by them for the purpose of cooperation with the competent authorities in implementing the provisions of this Act. The Act takes into consideration developments in document storage and permits financial institutions to keep microfilm copies throughout the said period, after preservation of the original.

Article 10 is aimed at encouraging the detection of money-laundering operations by exempting from criminal and civil liability persons reporting or submitting information and data on suspicious financial operations, provided that such notification is made in good faith and on reasonable grounds.

Article 12 permits foreign currency to be brought into or taken out of the country provided that its source is disclosed if it exceeds the amount stipulated in the article.

Articles 14 and 15 of the Act include the penalties established for violation of its provisions.

Article 16 deals with the responsibility of legal persons for crimes committed on their behalf and in their interest by any of their employees, with whom such legal persons shall be jointly and severally responsible in respect of financial penalties imposed.

Article 17 of the Act contains a provision exempting a perpetrator who reports a crime and the other perpetrators to the authorities charged with gathering evidence or conducting investigations, before those authorities obtain any knowledge thereof. He shall also be exempt if he does so after they have obtained such knowledge and the information provided by him leads to the arrest of the other perpetrators or the seizure of the funds involved in the crime.

Articles 18, 19 and 20 of this Act contain the principles governing cooperation between Egyptian and foreign judicial authorities in the sphere of combating money-laundering under the bilateral or multilateral conventions to which Egypt is a party.

Mechanisms for the implementation of the Money-Laundering Act and measures taken for that purpose

Article 3 of the Act provides for the establishment within the Central Bank of Egypt of a special independent unit to combat money-laundering, in which the concerned authorities shall be represented. The Unit, which shall have the responsibilities and powers provided for in this Act, shall be assigned a sufficient number of experts and specialists in the domains relevant to implementation of the Act and provided with the necessary qualified, trained employees. The President of the Republic shall issue a decree concerning the formation of the unit and the rules governing its management, operation and personnel, which need not conform to the rules and regulations applicable to the Government, the public sector and the public business sector.

Presidential Decree No. 164 of 2002, issued pursuant to the above-mentioned article 3, established the Anti-Money-Laundering Unit. Article 2 of the Decree provides for the formation of a Council of Trustees for the Unit, chaired by an Assistant Minister of Justice chosen by the Minister, with membership composed of the Senior Deputy Governor of the Central Bank, the Chairman of the Capital Market Authority, a representative of the Egyptian Banking Federation nominated by the Federation and an expert in financial and banking affairs chosen by the Prime Minister. The article further provides that the formation of the Unit shall be promulgated by a decree of the Prime Minister.

The formation of the Unit was in fact promulgated by Decree of the Prime Minister No. 1599 of 2002.

Article 3 of the above-mentioned Presidential Decree sets out the responsibilities of the Council of Trustees of the Unit for managing its affairs, establishing its general policy and following up on implementation in order to ensure the achievement of the Unit's objectives. Article 3 also sets out the main responsibilities of the Council in this regard, namely, adopting the forms necessary for enforcement of the Money-Laundering Act; providing adequate means for verification of the compliance of financial institutions with the rules and regulations established by law in this domain; ensuring that the judicial authorities and other entities responsible for enforcing the Money-Laundering Act are furnished with the information they request; adopting rules for the exchange of information with both foreign and domestic entities; and proposing systems and procedures for combating money-laundering within the country. Article 5 of the Decree provides that the Chairman of the Council of Trustees shall be in charge of supervising and managing the affairs of the Unit. It entrusts him with making certain that the Unit fully performs the duties assigned to it; in establishing and maintaining contact and making arrangements relating to its activities in international forums; and exchanging information with competent authorities in other countries and with international organizations, in conformity with the provisions of international treaties. Article 6 charges the Chairman of the Council of Trustees with preparing an annual report, to be presented to the Board of Directors of the Central Bank of Egypt, containing a review of the Unit's activity, international developments in the anti-money-laundering field and Egypt's position regarding them. Article 7 provides that the Unit shall be financed from the budget of the Central Bank of Egypt and other available private resources, provided that the estimated annual budget of the Central Bank of Egypt shall include the allocation of the appropriate financing for

the Unit in accordance with the estimated budget approved by the Council of Trustees.

Lastly, in accordance with the provisions of the Money-Laundering Act promulgated by Act No. 80 of 2002, Presidential Decree No. 164 of 2002 establishing the Anti-Money-Laundering Unit and Presidential Decree No. 28 of 2003 concerning the operation and staff of the Anti-Money-Laundering Unit and by way of clarification of the provisions of the Act and Decrees issued, a new Decree of the Prime Minister (No. 951 of 2003) was promulgated. The provisions of this Decree, which contains the implementing regulations for the Money-Laundering Act, are arranged in seven chapters. Chapter 1 provides definitions of the terms contained in the Money-Laundering Act. Chapter 2 provides clarification of the functions and mandate of the Anti-Money-Laundering Unit. Chapter 3 deals with the Council of Trustees and organizational structure of the Anti-Money-Laundering Unit, while chapters 4 and 5 concern the control authorities and the financial institutions required to establish systems for compliance with the provisions of the Act and the implementing regulations and decrees, in accordance with the nature of the activities of those institutions. Chapter 6 deals with training and qualification in the field of combating money-laundering and chapter 7 covers international cooperation in that field, providing for judicial cooperation between Egyptian judicial authorities and their foreign counterparts in the field of combating money-laundering in all its forms, as provided in article 18 of the Act, in conformity either with the rules set out in the bilateral and multilateral treaties to which Egypt is a party or with the principle of reciprocity (attachment 5). From the above it is evident that Act No. 80 of 2002 on money-laundering codifies all the provisions contained in the United Nations Convention against Transnational Organized Crime.

In addition to Act No. 80 of 2002, which codifies the said provisions, a number of Egyptian laws that predate that Convention contain provisions which match those of the Convention. Those laws include Act No. 54 of 1964 on Reorganization of Administrative Control, amended by Act No. 112 of 1983 (attachment 6); the Illicit Gains Act (No. 193 of 1951) and the amendments thereto (attachment 7); the Administrative Prosecution Body Act (No. 117 of 1958) and the amendments thereto (attachment 8); the Central Auditing Agency Act (No. 144 of 1988) (attachment 9); and the Egyptian Penal Code contained in Act No. 58 of 1937 (attachment 10), the provisions of which are in accord with the established principles of international criminal jurisdiction. Indeed, Egyptian courts are competent to prosecute all crimes committed in Egyptian territory (jurisdiction *ratione loci*, or principle of territoriality) regardless of the nationality of the perpetrator of the crime or that of the victim (article 1 of the Egyptian Penal Code). It is also within the jurisdiction of Egyptian courts to try certain crimes that take place outside Egyptian territory, in accordance with the principle of *ratione materiae* (Egyptian Penal Code, article 2, paragraph 2). Under the principle of international criminal jurisdiction the Egyptian courts are also competent, based on the positive aspect of the principle of *ratione personae*, to try any Egyptian committing outside Egyptian territory a crime that is punishable by the law of both countries (the Egyptian Penal Code and the law of the country in which the crime was committed). This is known as the "double criminality" requirement (Egyptian Penal Code, article 3).

1.5 Paragraph 1 of the resolution requires that the legal obligation to report suspicious transactions should extend to all professions engaged in financial

transactions. In that regard, the CTC takes note that article 1 (C) of Act No. 80 of 2002 on the combating of money-laundering defines the term "financial institutions" to include a number of entities and agencies involved in financial and other asset management, but not normally engaged in regular banking activities. It is not clear, however, whether the Act extends to professionals such as lawyers. The CTC, therefore, would appreciate receiving clarification on whether lawyers and similar professionals are required under Egyptian law to report suspicious transactions to the Anti-Money-Laundering Unit.

Reply

Money-Laundering Act No. 80 of 2002 was amended by Act No. 78 of 2003 (attachment 11). Act No. 78 added a new subparagraph 11 to the text of article 1 (C), which deals with the definition of financial institutions. The amendment makes it possible to add other persons, whether natural or juridical, by a decision of the Prime Minister. Moreover, the Criminal Code contained in Act. No. 58 of 1937 makes it a general obligation for all citizens, and hence officials and persons in charge of performing public services, to report the occurrence of crimes in general, including those stipulated in the above-mentioned Money-Laundering Act (attachment 12).

1.6 The CTC would further appreciate it if Egypt would share with the CTC any assessments or evaluations, especially those related to operational measures, in connection with the implementation of the resolution, that are carried out by any international or regional institution or organization.

Reply

Since June 2001, Egypt has been subject to assessment by the Financial Action Task Force (FATF) aimed at monitoring the extent of Egypt's commitment to implementing the FATF recommendations on terrorist financing and money-laundering. Egypt had been included on the list of non-cooperative countries and territories (NCCTS), but was removed from the list in February 2004 in view of the institutional and practical changes it had introduced in that area. The report of the Task Force published in July 2004 dealt in greater detail with the developments that had taken place in this sphere (attachment 13).

2. Technical Assistance

2.1 The CTC wishes to emphasize once more the importance that it attaches to the provision of assistance and advice in connection with the implementation of the resolution. In that regard, the CTC wishes to remind Egypt of the CTC's Directory of Assistance (www.un.org/sc/ctc), which is frequently updated to include new, relevant information on available assistance. The CTC would appreciate receiving information from Egypt concerning areas where it believes it can benefit from assistance, or where it might be in a position to provide technical assistance to other States in relation to the implementation of the resolution.

Reply

Egypt welcomes technical assistance and advice from other States in connection with all aspects of resolution 1373 in order to optimize its compliance

with the resolution, particularly in connection with modern investigative techniques, the interception and tracking of Internet communications and the use of electronic mail, including training for law enforcement authorities in the utilization of those techniques. Egypt would appreciate it if the Committee would inform it concerning technical assistance available from other States or international institutions in these domains.

With regard to the assistance that Egypt is able to offer, Egypt is fully prepared to offer any assistance required in the context of any judicial and security cooperation arrangements it may be requested to make. The Committee will be notified of any arrangements thus made.

2.2 The Committee wishes to continue the constructive dialogue with Egypt in relation to measures it is taking to implement the resolution, in particular with regard to those areas identified as priority. If Egypt feels that it could benefit from discussing aspects of the implementation of the resolution with the Executive Director of the CTC, it is welcome to contact the Counter-Terrorism Executive Directorate as mentioned in paragraph 3.1 below. In addition, the CTC, through its Executive Directorate, may contact Egypt's competent authorities to discuss any further matters related to the implementation of the resolution.

Reply

At the present stage of implementation of the resolution it has not been necessary to seek the assistance of the Committee experts. However, should the need for such expertise arise, we will contact them immediately.

Issued on 15 March 2005